Making real estate decisions with confidence in today's market



For most of the past two decades, Canadian real estate rewarded a simple kind of confidence. You bought, you held, you waited and the market usually did the rest. That instinct doesn't quite match the volatility shaping the market today.

It's no surprise many have stepped back to wait and see. But waiting has a cost of its own. Put the decision off long enough and the delay becomes the decision, one that may not serve your long-term goals.

Key takeaways

- **Ask the right questions first.** In a mixed market, the biggest risk is reacting. A short set of questions – from "does this fit my plan?" to "what am I actually reacting to?" – helps separate financial reality from emotional pull before you act.
- **Your plan should lead, not the noise.** Recency bias, FOMO and fear of loss can pull you in different directions. None of them should replace a plan built around your family's goals.
- **The tax conversation should start early.** Misunderstanding the tax rules around gifting property or transferring a cottage can carry significant costs, so they need to be sorted out before the transaction, not after.

Where the Canadian housing market stands today

The Canadian economy has been through a reset this year. Two GDP contractions and ongoing trade uncertainty with the U.S. have weighed on confidence, and housing has felt it, though not evenly. Condo-heavy markets like Toronto and Vancouver are working through excess supply, while detached homes have held their ground. Conditions vary by region. The low interest rates that shaped the last decade aren't coming back on the same terms.

Katherine Judge, Executive Director and Senior Economist at CIBC, sees 2026 as a transition: "We anticipate more softness in the near term, but hopefully a pickup towards the end of the year and better economic times in 2027. And as the unemployment rate comes down, you'll see more demand in the housing market."

But that's the market's story. What you and your family should do next is a different question, one that the stats alone can't answer.

Why so many families are waiting: the fear of getting it wrong

Much of today's hesitation traces to the hope that rates will drift back to where they sat five or six years ago. Judge calls this a recency bias and cautions against building a real estate decision around it. In her view, longer-term rates will stay structurally higher this cycle, held up by structural factors. Waiting for pre-pandemic norms may not be realistic.

Both feelings are valid. But relying on them alone can lead to the two most expensive outcomes in real estate: the move you rushed, and the one you never made. The way forward isn't better forecasting. It's asking better questions.

Five questions worth asking before any major real estate decision

CIBC research shows that what our clients care about most maps closely to what these decisions actually involve: wealth preservation (60%), tax efficiency (50%) and family wellbeing (42%).[1] A lot rides on a single property decision. Before acting, it's worth considering five questions that can help you cut through the noise and make a decision with more confidence.

1 Does this fit my plan?	Not the market's moment, your plan. How does this decision align with your long-term goals and the rest of your portfolio? If you're deciding based on headlines rather than those goals, that's worth noticing before anything else.
2 What's the liquidity reality?	Can you carry this comfortably across a range of scenarios, not just the one you're hoping for? A decision you can afford on paper but that would keep you up at night isn't one you can afford.
3 What am I reacting to?	Has something actually changed in your situation, or just in the news? FOMO, fear of loss and a neighbour's sale price are all real feelings. None of them are reasons.
4 Who else does this touch?	A property decision is rarely yours alone. What are the tax and estate implications – and is your family aligned on what it means for them? The best time to find out is before the transaction, not after.
5 What does "good enough" look like?	You won't time it perfectly; almost no one does. If you can name the outcome you'd be content with, you can act with confidence instead of waiting for a certainty that never comes.

What these decisions look like in real life

For many families, the hardest part of a real estate decision isn't understanding the market. It's deciding what to do when a property involves finances, family and emotion. As Jamie Golombek, Managing Director, Tax and Estate Planning at CIBC Private Wealth, says, "Real estate is rarely just a financial decision. It's tied to how you want to live and how you want to pass things on." That tension often surfaces at a few key moments:

Downsizing the family home

Sometimes the practical case is clear: costs are rising, maintenance is becoming a burden, or the home no longer fits your life now. But those realities don't erase the emotional weight of leaving a place shaped by decades of memories. In a softer market, it helps to remember that if you're selling and buying in the same environment, a lower sale price is often offset by a lower purchase price. The goal isn't to time the market, but to decide whether the move supports the life you want next.

Planning for the future of a cottage or second property

What may have started as a lifestyle asset can eventually become a family and succession question. Who wants the property? Who can afford to keep it? Is it still serving the family the way it once did? This is where "who else does this touch?" earns its place. The right path depends less on the market than on honest conversations about what matters most to your family.

Helping an adult child enter the housing market

For some families, the question is how — and whether — to help an adult child buy a home. It's often not what's possible, but what makes sense: how much support to provide, and how to balance that against other family and financial priorities. The decision should fit your broader plan rather than react to pressure from the market.

In each case, the "right" answer depends less on trying to predict the market than on being clear about your goals, your trade-offs and your family's priorities.

Tax considerations should be part of the conversation early

Timing and emotion aren't the only forces behind these decisions. Tax matters too — and it is often easier to plan for in advance than to address later.

For example, gains on a principal residence may be tax-free, but losses generally are not deductible. And when property is transferred to a family member, it is typically treated as a sale at fair market value for tax purposes, even if it is gifted or sold for less. Selling below market value can mean the same gain is taxed twice. As Golombek puts it: "Either gift it to the kids or sell it to them at fair market value."

The families who navigate these decisions well plan early, plan together and speak with an advisor before acting, not after.

If any of these themes feel relevant to your family or planning conversations, I'd be happy to discuss them further with you.

[1] Source: Ipsos poll conducted between January 30 and February 6, 2026, on behalf of CIBC.

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